

# Introduction

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Commerce is by its very nature a normative enterprise. It is concerned with creating value for owners and other constituencies, ranging from the firm's immediate stakeholders, such as employees, customers, and suppliers, to the entire society within which the business operates. As a field of study, *business ethics* aims to specify the principles under which businesses must operate to behave ethically. Thus, business ethics focuses on issues such as those that have recently attracted so much public scrutiny: executive compensation, honesty in accounting, transparency, treatment of stakeholders, and respect for the environment. These are, in fact, perennial questions that accompany the long history of human economic activity and that will also be present through an indeterminate future.

*Business and society* is a distinct field of study closely related to business ethics. Business and society explores the entire range of interactions between business entities and the societies in which they operate. Almost all the questions addressed by business and society have a normative dimension. But in contrast to business ethics, the discipline of business and society relies much more strongly on the tools of the social sciences. Thus, business and society scholars frequently examine the effects of business on society using empirical tools such as surveys, empirical data, and statistics.

There is no firm demarcation between the two disciplines of business ethics and business and society. While both disciplines may have their separate academic societies, the questions explored are clearly related, and many scholars belong to both kinds of societies and move between the two areas of inquiry with perfect ease.

While business ethics and business and society are united by a common concern with normative issues surrounding commerce, they are most strongly distinguished by their typical methodologies. The paradigmatic methods of business ethics are drawn from the Western philosophical tradition, while business and society scholars turn most naturally to the methods of

the social sciences. Each of these fields of study relies to a considerable degree on the methods of the other, however. The questions of value that business ethics finds most compelling naturally draw the greatest attention from scholars in business and society. For its part, business ethics as an applied discipline relies on the findings of business and society to help identify those issues most in need of study.

## Rationale for the *Encyclopedia*

The *Encyclopedia of Business Ethics and Society* recognizes the inherent unity between business ethics and society that stems from their shared primary concern with value questions in commerce. Topics of study do not come neatly divided into those that require conceptual analysis or philosophical consideration and others that will succumb to empirical study or generate empirical generalizations. To isolate the two disciplines impoverishes both, as is well recognized by scholars who find their most natural home in one discipline or the other. Therefore, the focus of the *Encyclopedia* embraces all normative aspects of business.

As an example of this breadth of vision, consider the relationship between the employer and her employees, whose essential relationship is specified by an employment contract, which can be a legal document or merely specified by custom. A host of issues surround this one business relationship. The contract specifies rights and obligations of both parties, so it is inherently normative. Some forms of employment contract prevail over others in different situations. Thus, there is an empirical issue concerning what types of contracts occur in various industries and why specific forms of employee contracts seem to arise in particular industries and for employees with specific skills. Of course, in a complex industrial economy, government plays a major role in the employer-employee relationship, with

laws and institutions that set bounds on the kinds of contracts that can exist and the way in which given contracts are expressed in daily life. Here, one need only think of minimum wage laws and safety regulation. No full understanding of the relationship between employer and employee can be attained without a consideration of all these different factors.

To that end, the *Encyclopedia* addresses the normative dimensions of commerce with a broad mandate that embraces the following themes and dimensions of business:

- Accounting
- Applied ethics
- Corporate management and the environment
- Corporate powers, organization, and governance
- Corporations in the social sphere
- Customers and consumers
- Economics and business
- Employee issues
- Environmental thought, theory, regulation, and legislation
- Ethical thought and theory
- Finance
- Gender, age, ethnicity, diversity, and sexual orientation
- Information systems
- International social and ethical issues
- Justice
- Legislation and regulation
- Management
- Marketing
- Organizations
- Political theory, thought, and policy
- Problematic practices
- Rights

These topics are the headings for the Reader's Guide, and all the entries in the *Encyclopedia* fall under one or more of these broad themes. As the list indicates, the scope of the *Encyclopedia* encompasses

the theoretical and ranges to the very practical social and ethical issues that beset the various functional areas of business.

## Content and Organization

The *Encyclopedia* is composed of almost 900 entries arranged in alphabetical order. The entries range in length from about 500 words to almost 11,000 words. As has already been touched on above, the *Encyclopedia* embraces commerce in all its ethical and social dimensions. This ambition requires comprehensive and fairly lengthy essays on such crucial topics as justice, freedom, stakeholder theory, and regulation. At the other end of the spectrum, very brief essays introduce important personages in the field, while other similarly brief entries explain the nature and function of various organizations.

Because so many of the topics discussed in the *Encyclopedia* relate to other matters, every entry has cross-references to other entries in the *Encyclopedia*. In addition, a list of references and suggested readings accompanies each entry. The Reader's Guide allows a user of the *Encyclopedia* to find the many entries related to each of the broad themes covered by the work.

## How the *Encyclopedia* Was Created

The *Encyclopedia* was created in several steps.

1. I began by examining all the leading university texts in business ethics and business and society to create an initial list of potential headwords. In addition, I explored the leading journals in both fields for the immediately previous 5 years to capture new terms and ideas that were entering the profession but were not yet enshrined in textbooks.
2. Armed with this initial list of prospective headwords, I approached the most eminent scholars in business ethics and business and society to solicit their participation in the project as editors. Eventually, I recruited five of the very best scholars in the two fields to serve as a team of associate editors.
3. The associate editors and I worked together to refine and expand the headword list. The associate editors also played a pivotal role in developing a broader editorial board of about 25 exceptional scholars from both fields.

4. I also recruited a highly respected university librarian, who specializes in business and leads the business library at the University of Colorado, to serve as a special library consultant. The idea here was to capture the talent and knowledge of someone who works every day with college students who are actually exploring other resources similar to the *Encyclopedia*.
5. With the editorial team in place, we again revised the headword list and the editors collectively began to develop a list of potential contributors for each topic. Anxious to capture the insight of the very best scholars in the field, members of the editorial team undertook the writing of some of the most lengthy and most important entries in the *Encyclopedia*. After several iterations of refining the list of headwords, we began the process of recruiting authors for each entry.
6. Before assigning entries, I created several diverse sample entries to serve as guides for authors as to the level of intellectual rigor and complexity of language that we desired. Also, potential authors received very detailed submission guidelines before they were assigned, and they were asked to review both the sample entries and the submission guidelines before agreeing to write for the *Encyclopedia*.
7. Every entry was reviewed by at least two members of the editorial team. The editors requested revisions, sometimes numerous revisions, of virtually every entry in the *Encyclopedia*, including those written by the editorial team. We believe that this lengthy process of criticism and refinement led to the creation of much better entries than would have been possible otherwise.

### Acknowledgments

The *Encyclopedia* began when Rolf Janke, publisher of the reference division at Sage, approached me with the idea of developing a two-volume work in the general area of business ethics. I was immediately intrigued by the idea, because I thought that creating an *Encyclopedia* could be an important contribution to the field and help define a still nascent discipline.

It quickly became apparent that any adequate treatment of the normative issues facing business required a perspective beyond business ethics per se, because so

many issues impinge on each other. We, therefore, decided to broaden the scope of the project to include not only business ethics but also business and society. The scope and success of the project owe much to Rolf, not only for the original idea but also for his flexibility in expanding the project by more than 100%.

The editorial team, which includes the associate editors, the editorial board, and the special library consultant, all deserve the greatest appreciation. Not only did they write many of the key entries; they also patiently read many drafts of many entries and guided all of them to a higher state of excellence.

The *Encyclopedia* consists of the writing of scholars drawn from the fields of both business ethics and business and society, so the greatest thanks go to the contributors. Over the course of the project, it became ever more apparent how deeply these men and women care about their respective fields and how fully they are committed to their growth and development. I think that they shared with me a belief in the project's importance, and they almost invariably made the extra effort to improve the entries and to make each one as good as it could possibly be.

Throughout the writing phase, I worked very closely with Yvette Pollastrini, the developmental editor for the *Encyclopedia* at Sage. Yvette read every entry for substance and style and never hesitated to ask for clarification of passages that were too technical or too complex for university students. Amy Parziale, a graduate student at the University of Colorado and now at the University of Arizona, was instrumental in serving as the managing editor. Amy handled many of the thousands of e-mail communications with authors, and she employed her very considerable organizational talents to discipline a somewhat scattered lead editor.

To all these people, I owe a great deal of appreciation. However, one other person lived the entire multi-year experience of creating the *Encyclopedia* and deserves special gratitude. My wife, Lori Kolb, listened to my complaints (or at least pretended to), was always understanding when the work of the *Encyclopedia* interfered with family plans, and provided the best support one could ever ask from a spouse.

—Robert W. Kolb  
General Editor